

EXHIBIT NO. 3
04-1032 and
04-1037

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October 6, 2004

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When calling relative to this
matter, refer to File No. 1190.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: **Hosston Formation, Reservoir A**
Cotton Valley Formation, Reservoir A
Holly Field
DeSoto Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

Petro-Hunt, L.L.C. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana:

1. To establish a single additional drilling and production unit for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, to be designated HOSS RA SU40, as shown outlined on the plat attached hereto and made a part hereof;
2. To establish a single additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, to be designated CV RA SUCC, as shown outlined on the plat attached hereto and made a part hereof;

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3. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950 with each tract sharing in unit production on a surface acreage basis of participation;
4. To extend the existing field rules for the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Holly Field to the proposed units except to the extent inconsistent herewith; and
5. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana was defined in Office of Conservation Order No. 88-D, effective February 1, 1975.

The Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana was defined in Office of Conservation Order No. 88-E, effective February 1, 1975.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Brad Truett, Petro-Hunt, L.L.C., 1601 Elm Street, Suite 3400, Dallas, Texas 75201; telephone number (214) 880-8550.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation;

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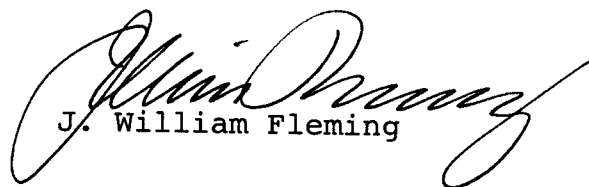
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however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application fee for this matter.

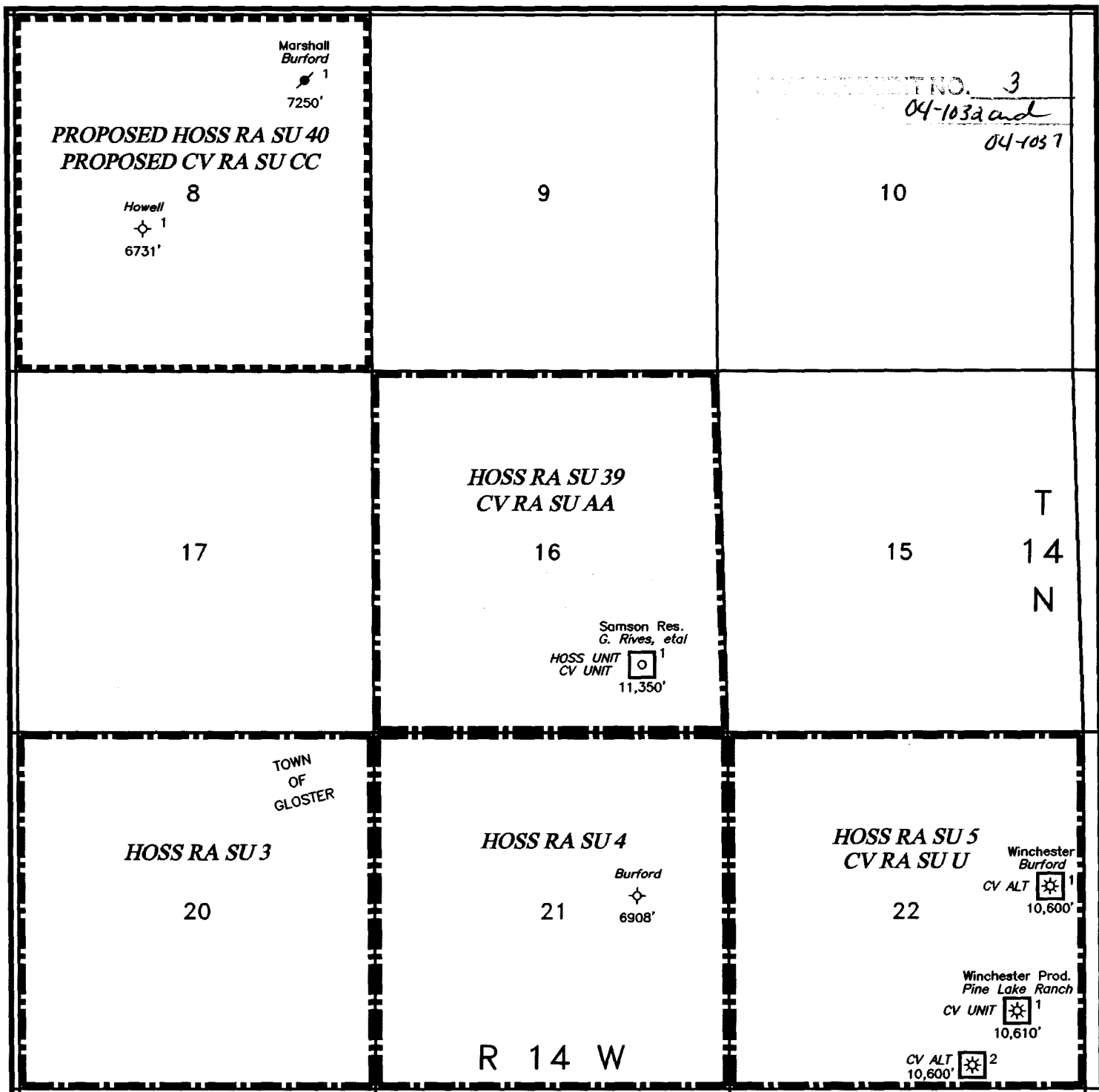
Yours very truly,

COOK, YANCEY, KING & GALLOWAY


J. William Fleming

JWF:s
Enclosures

cc: Mr. James Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Brad Truett
Mr. Buddy Hearne



PETRO-HUNT, L.L.C.
DALLAS, TEXAS

HOLLY FIELD
DeSOTO PARISH, LOUISIANA
PROPOSED HOSSTON RESERVOIR A SAND UNIT 40
AND COTTON VALLEY RA SAND UNIT CC

 : EXISTING CV RA UNIT & ALTERNATE UNIT WELLS

 : PROPOSED HOSSSTON & COTTON VALLEY RA SAND UNIT  : EXISTING HOSSSTON & COTTON VALLEY RA SAND UNITS

